

Regulatory Branch (1145b) 8800 Glacier Highway Suite 106 Juneau, Alaska 99801-8079

Public Notice of Application for Permit

PUBLIC NOTICE DATE: June 21, 2004

EXPIRATION DATE: August 5, 2004

REFERENCE NUMBER: POA-1990-592-M

WATERWAY NUMBER: Lynn Canal 31

Interested parties are hereby notified that an application has been received for a Department of the Army permit for certain work in waters and navigable waters of the United States (U.S.) as described below and shown on the attached plans.

APPLICANT: Coeur Alaska, Incorporated, 3031 Clinton Drive, Suite 202, Juneau, Alaska 99801-7106.

LOCATION: The project site would be within Section 1, Township 36 South, Range 61 East; and Sections 10, 14, 15, 23 through 25, and 36, Township 35 South, Range 61 East, Copper River Meridian; USGS Quadrangle Juneau D-4; Latitude 58°46′56″ North, Longitude 134°00′36″ West; north of Juneau, Alaska.

<u>WORK:</u> The applicant proposes to discharge an approximate total of 5,451,700-cubic yards (cys) of fill and dredged fill materials into an approximate total of 91.7-acres of waters, including forested and scrub shrub wetlands, and deep-water habitat, and in navigable waters of the U.S., in conjunction with the construction of new mine facilities and associated infrastructure:

Proposed	Acres of US Waters	Proposed Fill
<u>Facilities</u>	To Be Impacted	Volume (cys)
Process Area	5.3	88,000
Tailing Dam	1.4	145,000
Access Road	12.0	26,000
Laydown Area	5 . O	4,800
Waste Rock Disposal	4.8	311,000
Borrow Areas	4.2	0
Mine Tailings	45.5	4,800,000
Tails Placement Facilities	8.9	15,000
Topsoil Stockpile	1.0	33,000
Slate Creek Terminal	3.6	28,900
TOTAL	91.7	5,451,700

Fill materials, as well as several structures (floats, docks and piles), would be placed in navigable waters of the U.S., in conjunction with the construction of a marine terminal in Slate Creek Cove (see Sheet 5A of 13).

Project Components

Process Area: Approximately 88,000-cys of fill materials would be discharged into approximately 5.3-acres of waters (wetlands) of the U.S., to construct building pads for milling facilities, administrative and support facilities.

Tailing Dam: Approximately 145,000-cys of fill materials would be discharged into approximately 1.4-acres of waters (wetlands, riffle-pool complexes and deep water) of the U.S., in conjunction with the construction of a tailings dam.

Tails Placement Facilities: Approximately 15,000-cys of fill materials would be discharged into approximately 8.9-acres of waters associated with tails pipeline, access roads, a discharge pipe, and a pump-back sump (located at the toe of the proposed dam).

Waste Rock Disposal: Approximately 311,000-cys of excess waste rock from the underground mine would be placed in approximately 4.8-acres of U.S. waters, adjacent to the process area.

Main Access Road: Approximately 26,000-cys of fill materials would be discharged into approximately 12-acres of waters (wetlands) of the U.S., in conjunction with the construction of the main access road, which would run from Slate Creek Cove to the process area. A portion of the fill would be associated with the construction of various bridges (abutments, etc.).

Laydown Area: Approximately 4,800-cys of fill materials would be discharged into approximately 5-acres of waters (wetlands) of the U.S., in conjunction with the construction of a staging and laydown area, as well as an infiltration gallery in Johnson Creek.

Mine Tailings Disposal Facility: Approximately 4,800,000-cys (or 4.5 million tons) of fill materials (solid component of a slurry) would be discharged into approximately 45.5-acres of waters, including wetlands and deepwater, of the U.S.

Topsoil Stockpile: Approximately 33,000-cys of fill materials, consisting of topsoil, would be discharged into approximately 1-acre of waters (wetlands) of the U.S., to be stored for use in concurrent and closure reclamation activities.

Marine Terminal: Approximately 28,900-cys of fill materials would be discharged into approximately 3.6-acres of waters and navigable waters of the U.S., in conjunction with the construction of a marine terminal in Slate Creek Cove. Galvanized metal piling would be used to anchor various floating components of the terminal.

Settling/Storage Ponds: Approximately 500-cys of fill material would be discharged into approximately 2-acres of waters of the U.S. The ponds, lined with a HDPE liner, would measure an approximate total of 300-feet by 300-feet, 6-feet deep, and encircled by 2-foot high berms.

PURPOSE: The applicant's stated purpose for the project would be the relocation of the major mine components for the Kensington Mine site at Comet Beach on Lynn Canal to the Jualin Mine site (approximately two miles to the southeast), at Slate Cove, on the west side of Berners Bay, in order to access the ore body from the Jualin side of the peninsula.

All proposed work would be in accordance with the attached plans, 19-sheets, dated May 2004.

<u>ADDITIONAL INFORMATION</u>: A Department of the Army permit, identified as POA-1990-0592-2 [Lynn Canal 31], was issued on May 5, 1998, to Coeur Alaska, Incorporated, for the development of a mine infrastructure on the east side of Lynn Canal at Comet Beach. The impacts to wetlands and other waters of the U.S., which were evaluated at that time, included an approximate total of 261-acres, of which 42.4-acres had been completed.

The current proposed action would result in the development of an approximate 20-acre lake as a Mine Tailings Disposal Facility, an action that would raise the level of the lake approximately 74-feet as a result of the placement of mine tailings. Upon cessation of mining activities, the then 66-acre lake would be contoured to facilitate re-colonization by Dolly Varden Trout, which may be lost during normal mine operations and partial filling of the lake with waste rock. The final reclamation plan identifies approximately twice the area of fish habitat area, which would be available within the lake for utilization by fish and wildlife.

A Draft Supplemental Environmental Impact Statement (DSEIS) for the Kensington Gold Project has been published and a copy may be viewed at the United States Army Corps of Engineers Field Office (see address at top of public notice). This document would assist the Corps of Engineers in evaluating the project's basic purpose(s) and need, as well as practicable and least-damaging alternatives. A determination of issuance, denial, or issuance with modification of a Department of the Army permit will not be completed until after publication of the Final SEIS, and an evaluation of all available information had been conducted.

Please contact the applicant's authorized agent, Mr. Rick Richins, RTR Resource Management, Incorporated, 1109 West Main Street, Boise, Idaho 83702-5600, or call Mr. Richins at (208) 343-8727, for further information.

MITIGATION: As a result of pre-application coordination, the applicant has incorporated into the proposed project, the following mitigation efforts to minimize and reduce impacts to the aquatic environment:

- General construction Best Management Practices (BMPs) would be employed, such as minimization of sediment transport from disturbed areas prior to the construction of permanent facilities through sediment and erosion control devices and establishing a permanent vegetative cover.
- Natural drainages would be diverted around the Process Area and routed to Johnson Creek to maintain flow rates within the creek.
- 3. Surface water would be diverted around the TSF in order to maintain flow rates in Slate Creek during mining operations.
- 4. Mine process water would be recycled within the mine and discharged only after settling.
- 5. Water from the Tailings Storage Facility would only be discharged when State Water Quality criteria are met.
- 6. A reclamation Plan would be developed as a separate action, requiring approval by the appropriate resource agencies and would include returning the area to pre-project contours, permanently sealing of the mine portal, contouring the lake bottom to provide a variety of water depths suitable for fish re-colonization, road culvert removal, and re-vegetation.

WATER QUALITY CERTIFICATION: A permit for the described work will not be issued until a certification or waiver of certification as required under Section 401 of the Clean Water Act (Public Law 95-217), has been received from the Alaska Department of Environmental Conservation.

COASTAL ZONE MANAGEMENT ACT CERTIFICATION: Section 307(c)(3) of the Coastal Zone, Management Act of 1972, as amended by 16 U.S.C. 1456(c)(3), requires the applicant to certify that the described activity affecting land or water uses in the Coastal Zone complies with the Alaska Coastal Management Program. A permit will not be issued until the Office of Project Management and Permitting, Department of Natural Resources has concurred with the applicant's certification.

PUBLIC HEARING: Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, reasons for holding a public hearing.

CULTURAL RESOURCES: The State Historic Preservation Officer (SHPO) stated in a letter, dated April 16, 2004, and addressed to Ms. Susan Marthaller of the Tongass National Forest, that there were several sites in the project area, that may be eligible for inclusion in the Federal Register of Historic Places, and may be either indirectly or adversely affected by the project. The final determination would be based in part on which alternative in the upcoming Final Supplemental Environmental Impact Statement is selected. The sites in question have been designated:

JUN-22	JUN-240	JUN-928	JUN-931	JUN-932	JUN-933
JUN-945	JUN-946	JUN-947	JUN-948	JUN-949	JUN-951
JUN-953	JUN-954	JUN-956	JUN-957	JUN-960	JUN-961
.TITM_ Q.7.1					

Because these properties have been determined to lie within the overall project area, a determination of eligibility and, if needed, a determination of effect will be made in consultation with the SHPO. This application is being coordinated with SHPO. Any comments SHPO may have concerning presently unknown archeological or historic data that may be lost or destroyed by work under the requested permit will be considered in our final assessment of the described work.

ENDANGERED SPECIES: The project area is within the known or historic range of the Stellar Sea Lion and the Humpback Whale. Preliminarily, the described activity will not affect threatened or endangered species, or their critical habitat designated as endangered or threatened, under the Endangered Species Act of 1973 (87 Stat. 844). This application is being coordinated with the U.S. Fish and Wildlife Service and the National Marine Fisheries Service (NMFS). Any comments they may have concerning endangered or threatened wildlife or plants or their critical habitat will be considered in our final assessment of the described work.

ESSENTIAL FISH HABITAT: The proposed work is being evaluated for possible effects to Essential Fish Habitat (EFH) pursuant to the Magnuson Stevens Fishery Conservation and Management Act of 1996 (MSFCMA), 16 U.S.C. et seq and associated Federal regulations found at 50 CFR 600 Subpart K. The Alaska District includes areas of EFH as Fishery Management Plans. We have reviewed the January 20, 1999, North Pacific Fishery Management Council's Environmental Assessment to locate EFH areas as identified by NMFS.

We have determined that the described activity may adversely affect EFH. The proposed work may affect approximately 3.6-acres of EFH for salmon, ground fish and prey species such as Hooligan fish and Pacific herring. This Public Notice initiates consultation requirements with the NMFS under the MSFCMA. We have insufficient information at this time to assess the cumulative effects of the proposed work on EFH, but cumulative effects will be considered in our final assessment of the described work. Any conservation recommendations regarding EFH

for Federally managed fish will also be considered in our final assessment of the described work. This proposed project might also adversely affect associated species such as major prey or predator species that are not covered by Fishery Management Plans.

SPECIAL AREA DESIGNATION: The project area is within the Tongass National Forest.

EVALUATION: The decision whether to issue a permit will be based on an evaluation of the probable impacts including cumulative impacts of the proposed activity and its intended use on the public interest. Evaluation of the probable impacts, which the proposed activity may have on the public interest, requires a careful weighing of all the factors that become relevant in each particular case. The benefits, which reasonably may be expected to accrue from the proposal, must be balanced against its reasonably foreseeable detriments. The decision whether to authorize a proposal, and if so, the conditions under which it will be allowed to occur, are therefore determined by the outcome of the general balancing process. That decision should reflect the national concern for both protection and utilization of important resources. All factors, which may be relevant to the proposal, must be considered including the cumulative effects thereof. Among those are conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shore erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people. For activities involving 404 discharges, a permit will be denied if the discharge that would be authorized by such permit would not comply with the Environmental Protection Agency's 404(b)(1) guidelines. Subject to the preceding sentence and any other applicable guidelines or criteria (see Sections 320.2 and 320.3), a permit will be granted unless the District Engineer determines that it would be contrary to the public interest.

The Corps of Engineers is soliciting comments from the public; Federal, State, and local agencies and officials; Indian Tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps of Engineers to determine whether to issue, modify, condition or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity.

Comments on the described work, with the reference number, should reach this office no later than the expiration date of this Public Notice to become part of the record and be considered in the decision. Please contact Mr. John C. Leeds, III, at (907) 790-4490, or by e-mail at john.c.leeds@poa02.usace.army.mil, if further information is desired concerning this notice.

AUTHORITY: This permit will be issued or denied under the following authorities:

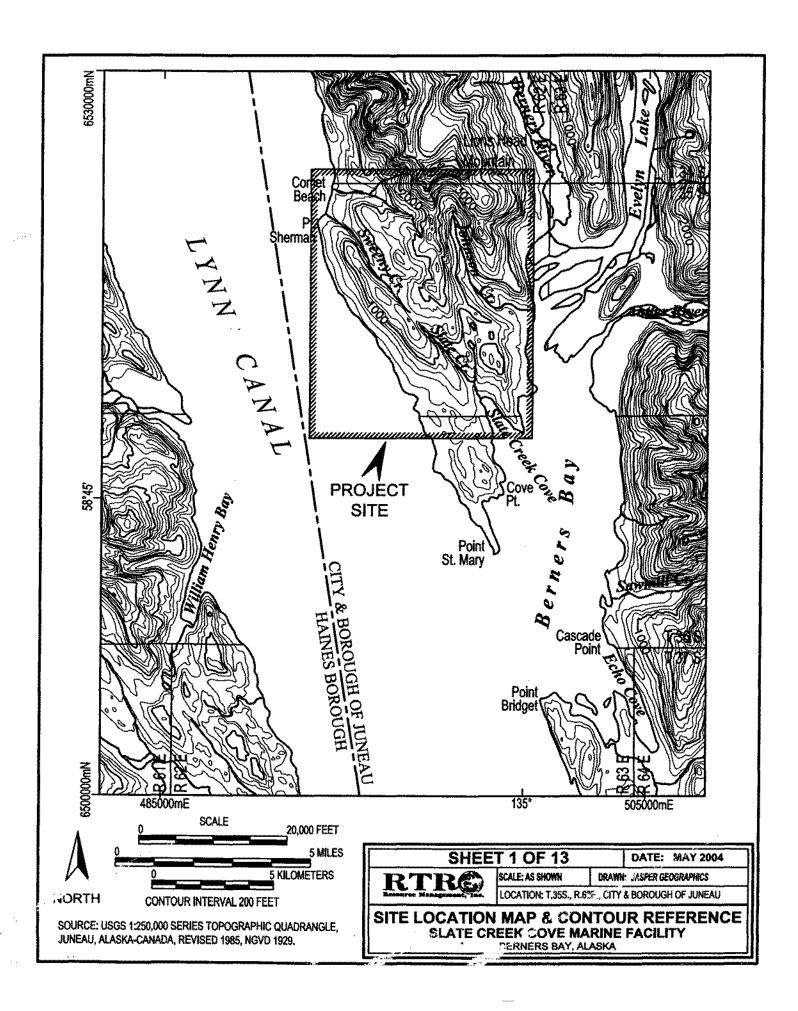
(X) Perform work in or affecting navigable waters of the United States - Section 10 Rivers and Harbors Act 1899 (33 U.S.C. 403).

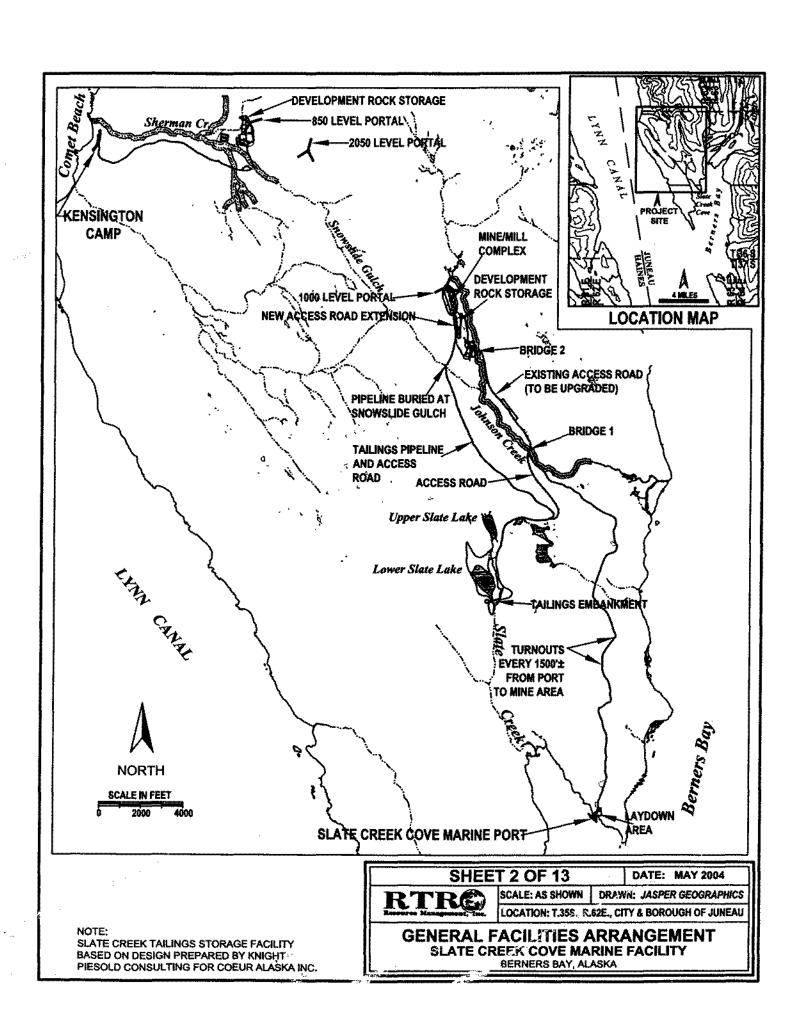
- (X) Discharge dredged or fill material into waters of the United States Section 404 Clean Water Act (33 U.S.C. 1344). Therefore, our public interest review will consider the guidelines set forth under Section 404(b) of the Clean Water Act (40 CFR 230).
- () Transport dredged material for the purpose of dumping it into ocean waters Section 103 Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1413). Therefore, our public interest review will consider the criteria established under authority of Section 102(a) of the Marine Protection, Research and Sanctuaries Act of 1972, as amended (40 CFR Parts 220 to 229), as appropriate.

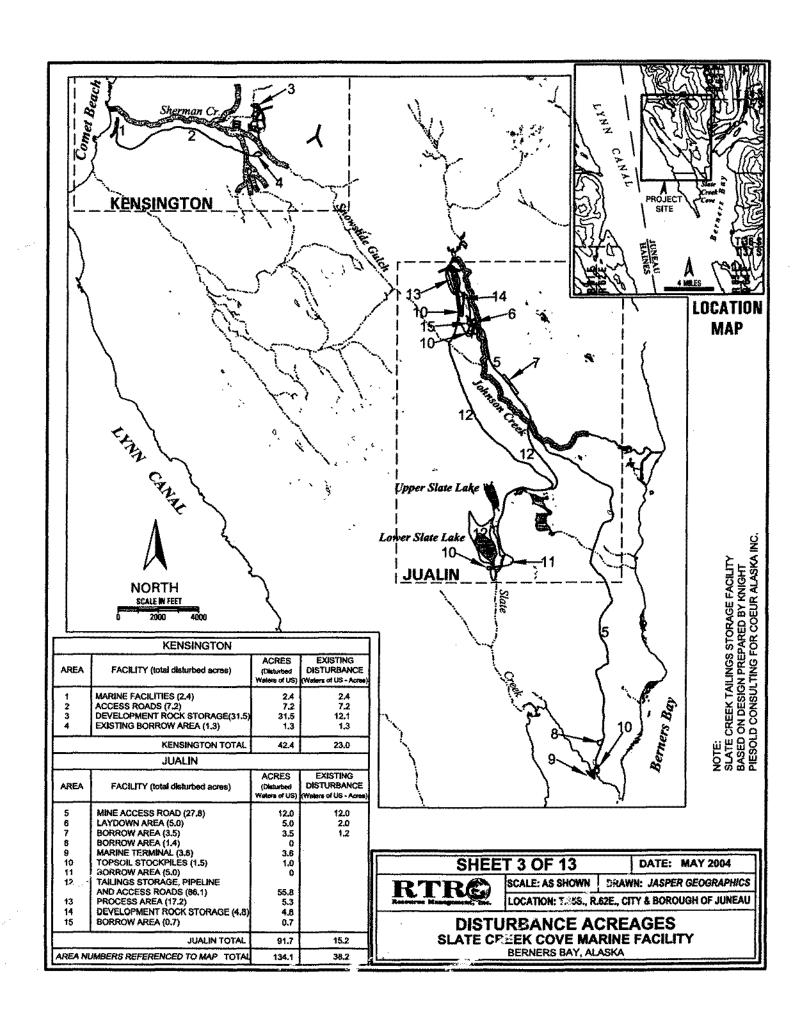
A plan, Notice of Application for Certification of Consistency with the Alaska Coastal Management Program, and Notice of Application for State Water Quality Certification are attached to this Public Notice.

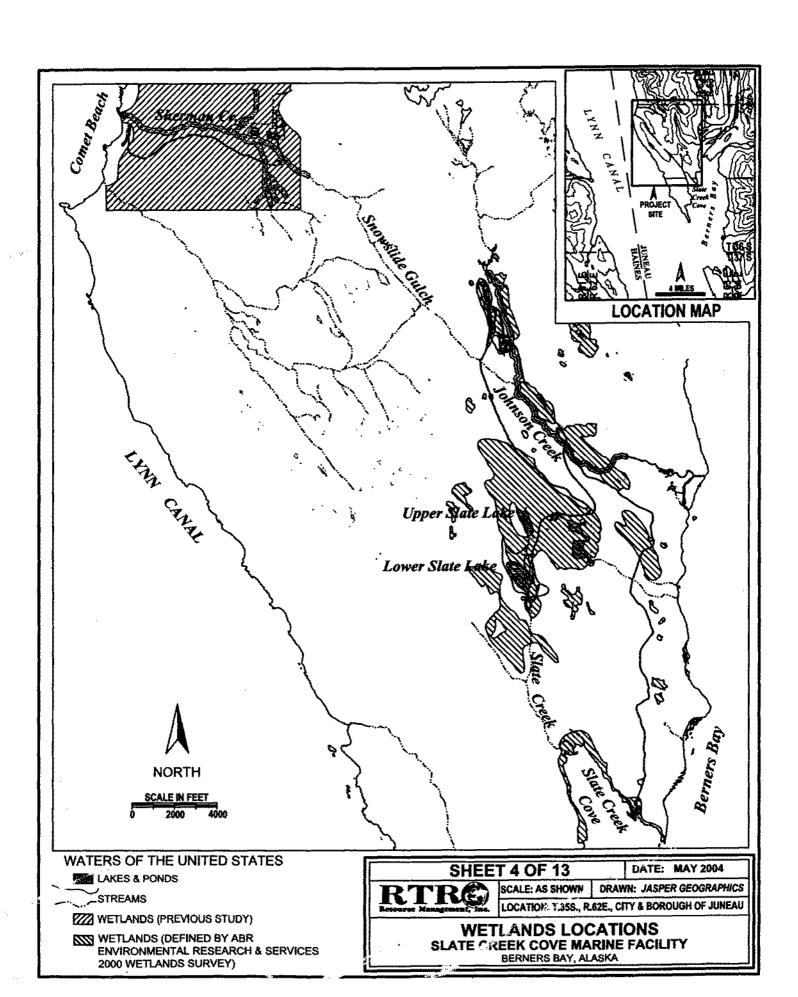
District Engineer U.S. Army, Corps of Engineers

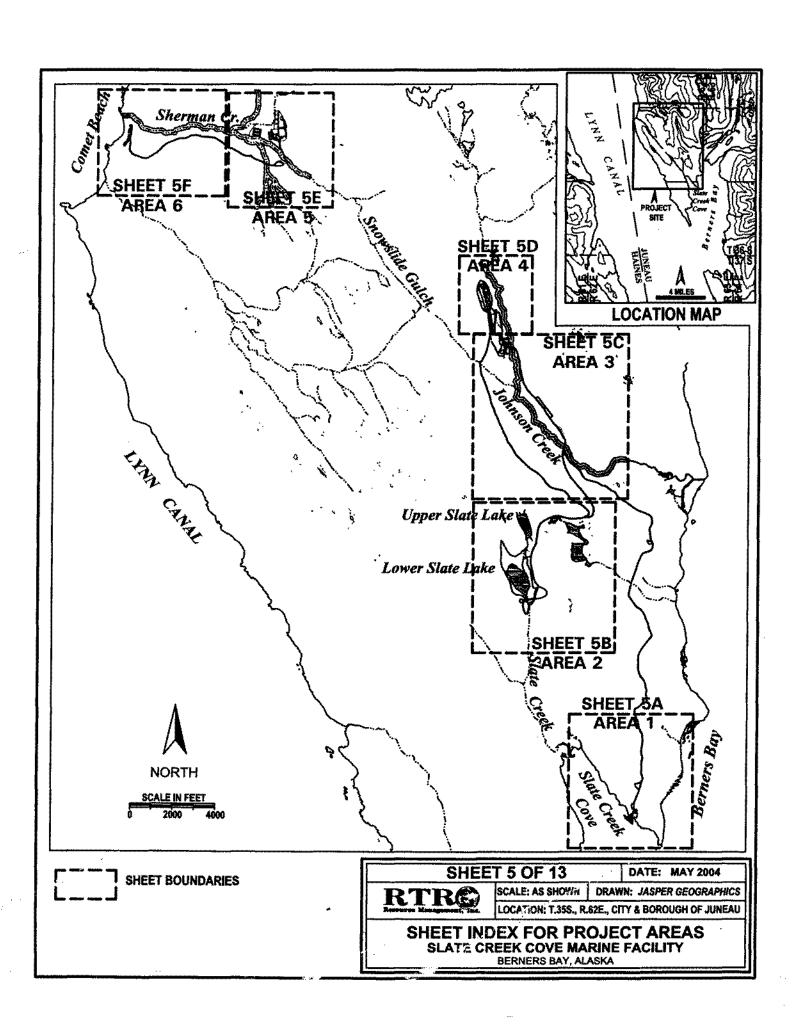
Attachments

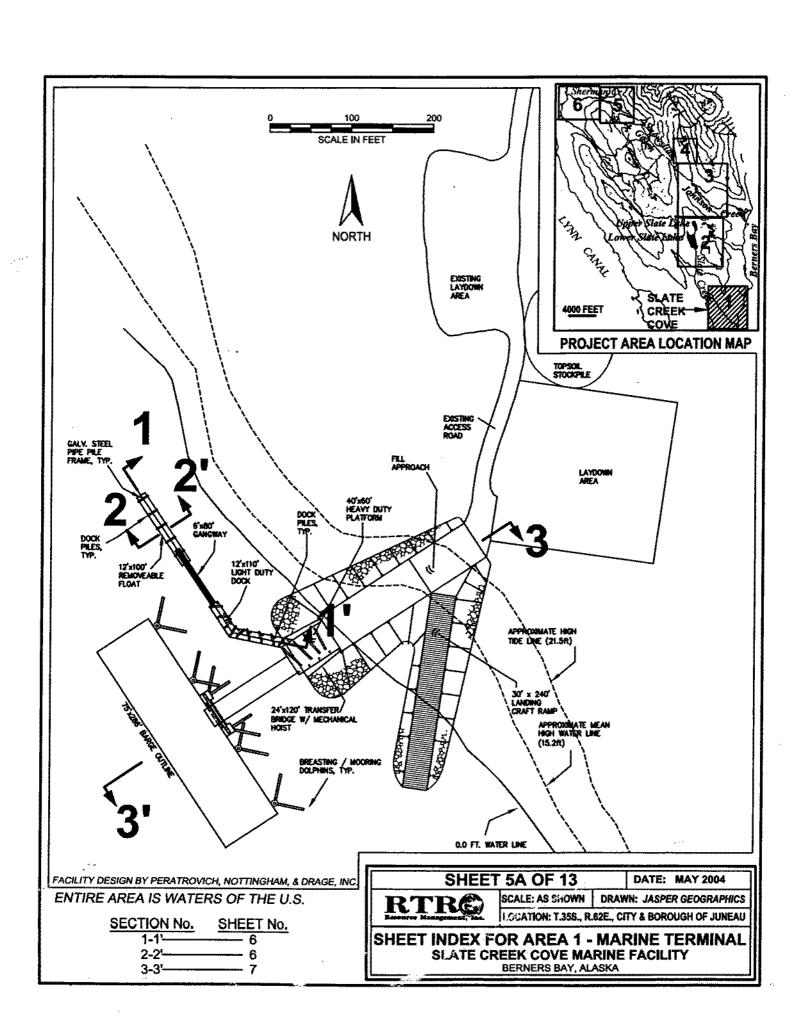


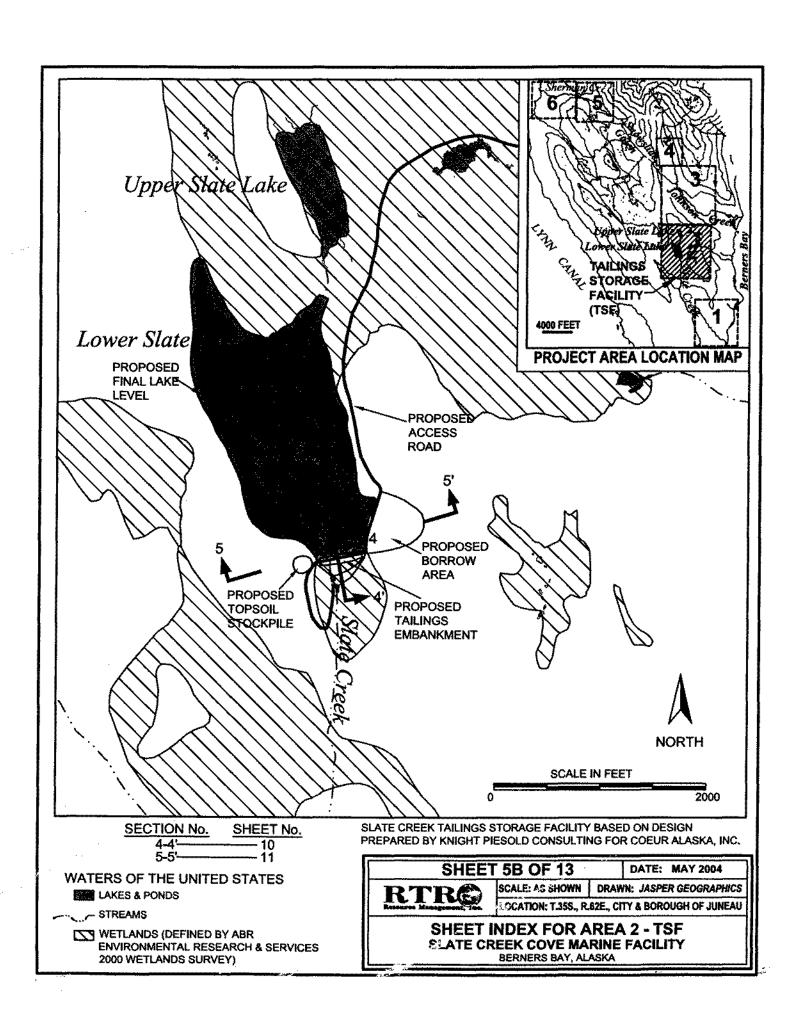


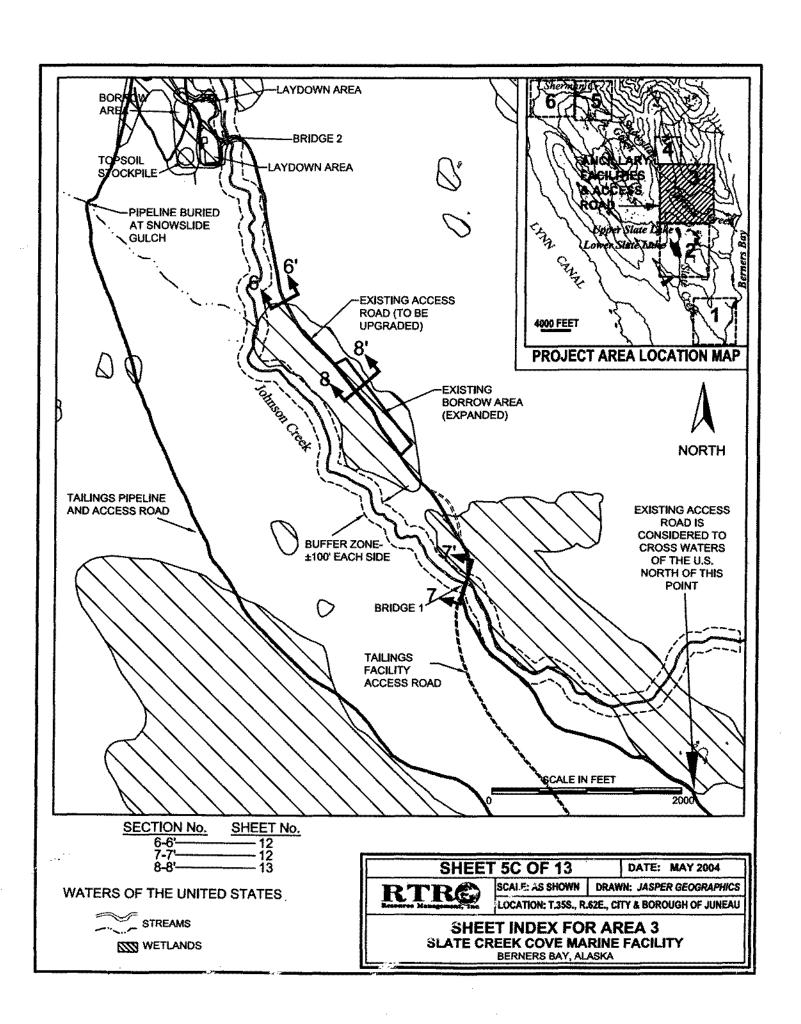


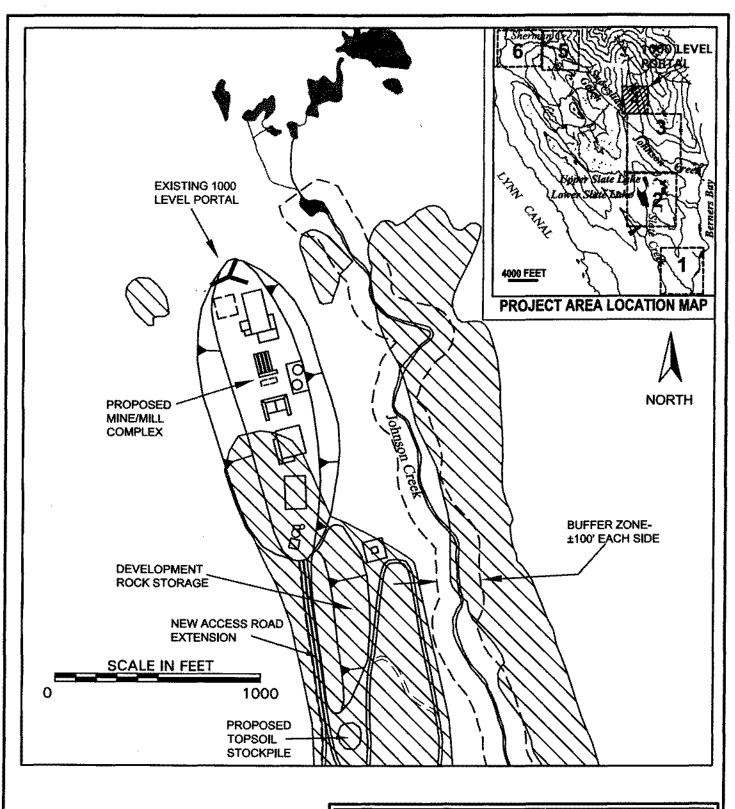


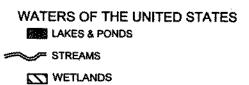












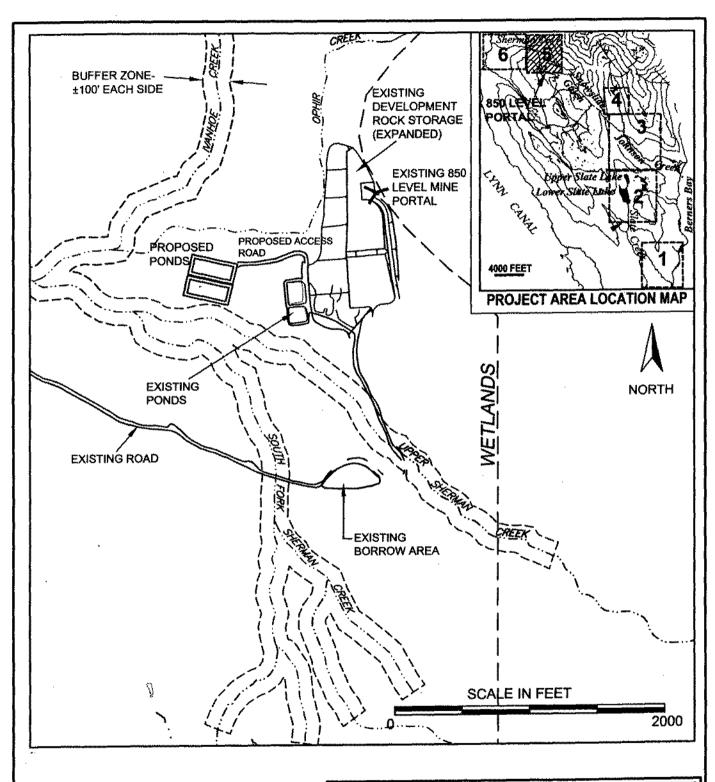
SHEET 5D OF 13 DATE: MAY 2004

RTR

SCALE: AS SHOWN DRAWN: JASPER GEOGRAPHICS
LOCATION: T.35S., R.62E., CITY & BOROUGH OF JUNEAU

SHEET INDEX FOR AREA 4

SHEET INDEX FOR AREA 4
SLATE CREEK COVE MARINE FACILITY
BERNERS BAY, ALASKA



WATERS OF THE UNITED STATES

WETLANDS BOUNDARY

SHEET 5E OF 13

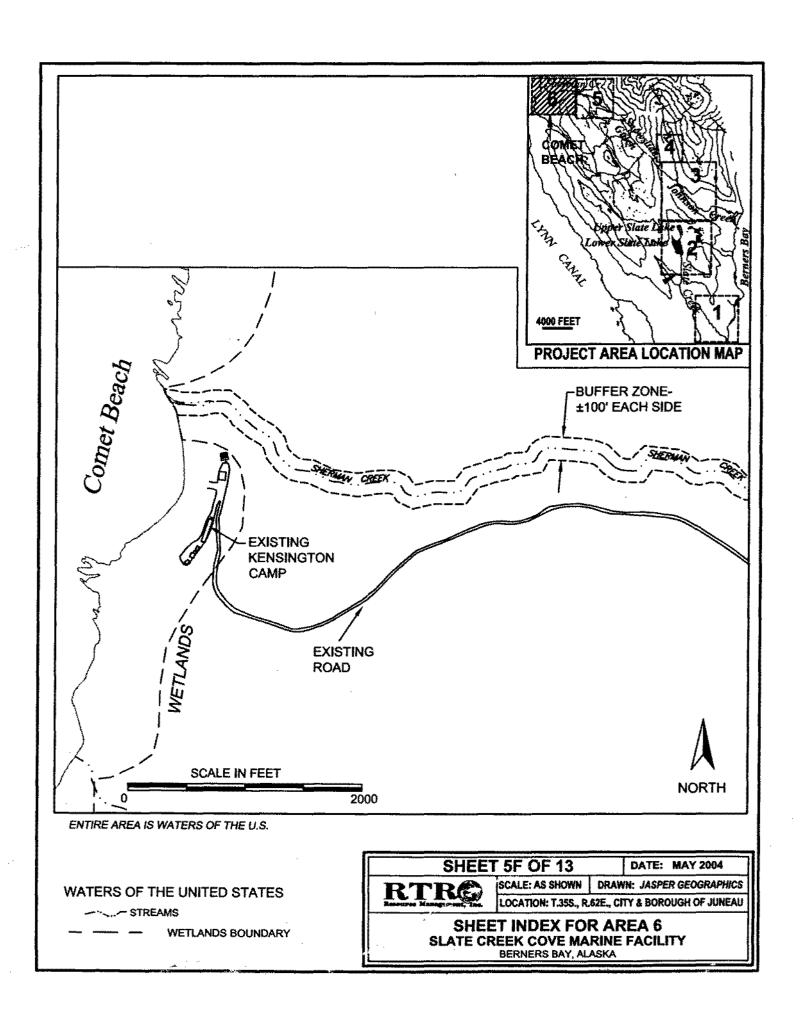
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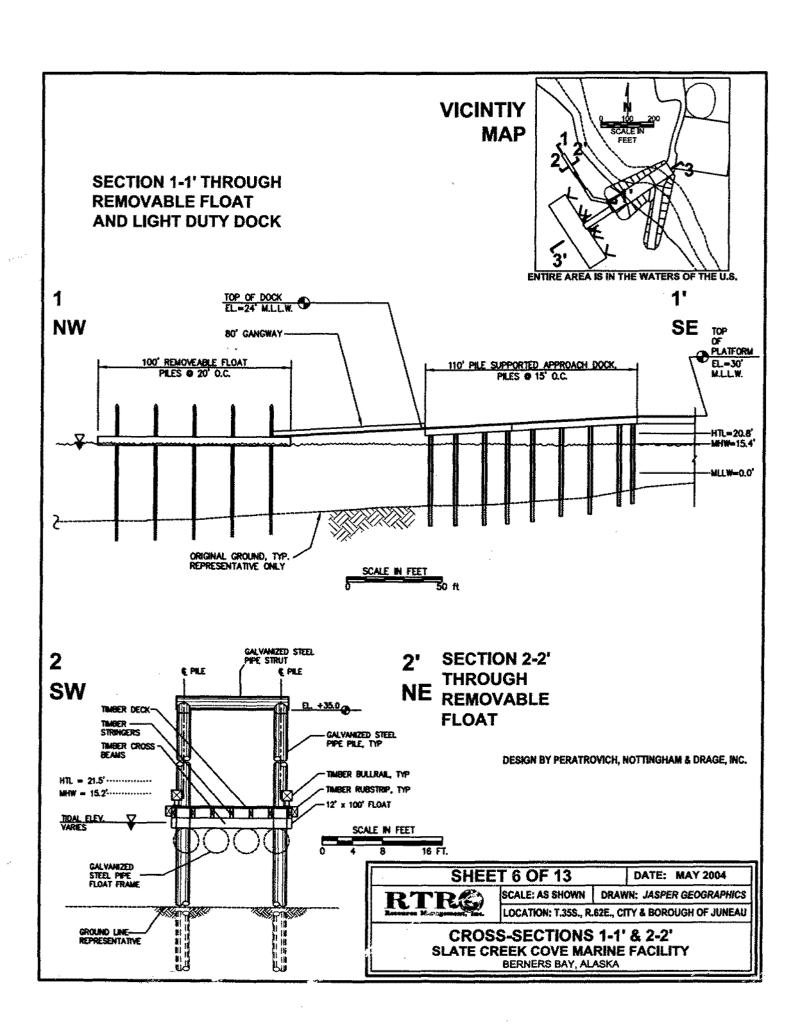
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SCALE: AS SHOWN DRAWN: JASPER GEOGRAPHICS LOCATION: T.35S., R.62E., CITY & BOROUGH OF JUNEAU

SHEET INDEX FOR AREA 5
SLATE CREEK COVE MARINE FACILITY

BERNERS BAY, ALASKA





VICINTIY MAP ENTIRE AREA IS IN THE WATERS OF THE U.S. 3 NE SW 75' X 286' BARGE -24' X 120' TRANSFER BRIDGE w/ MECHANICAL HOIST TOP OF **APPROACH** TOP OF PLATFORM EL. = 26' MLLW EL. # 30' MLLW ... ELW = -5.0' SCALE IN FEET (EST.) CORE FILL/RIPRAP/ARMOUR ROCK 100 200FT. EXIST. GROUND FILL MATERIAL **PAVEMENT** 400 CU YDS **CORE FILL** 19,200 CU YDS **ARMOR ROCK** 5,800 CU YDS **RIPRAP** 3,500 CU YDS TOTAL FILL MATERIAL 28,900 CU YDS

DESIGN BY PERATROVICH, NOTTINGHAM & DRAGE, INC.

SHEET 7 OF 13 DATE: MAY 2004

SCALE: AS SHOWN DRAWN: JASPER GEOGRAPHICS
LOCATION: T.35S., R.62E., CITY & BOROUGH OF JUNEAU

CROSS-SECTION 3-3'
SLATE CREEK COVE MARINE FACILITY
BERNERS BAY, ALASKA

FILL MATERIAL

PAVEMENT

CORE FILL ARMOR ROCK RIPRAP 3,000 CU YDS

440 CU YDS 360 CU YDS

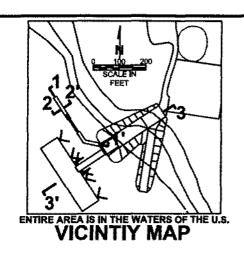
TOTAL FILL MATERIAL

- NATURAL GROUND SURFACE

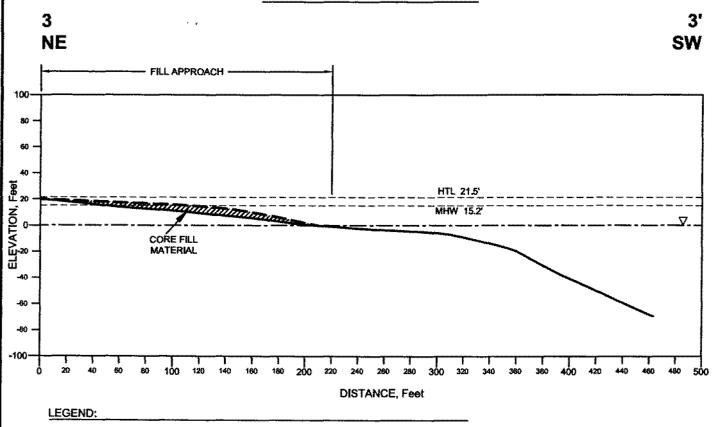
---- MEAN LOWER LOW WATER LEVEL (MLLW)

RECLAIMED SURFACE

3800 CU YDS



RECLAIMED MARINE TERMINAL



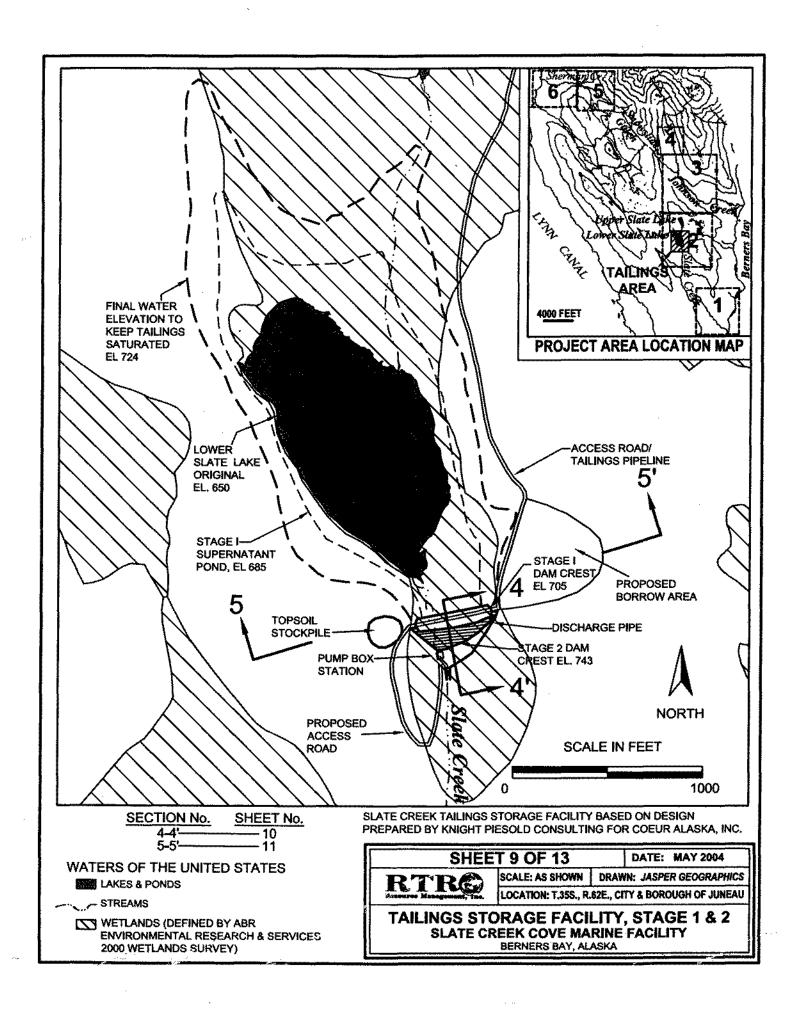
SHEET 8 OF 13 DATE: MAY 2004

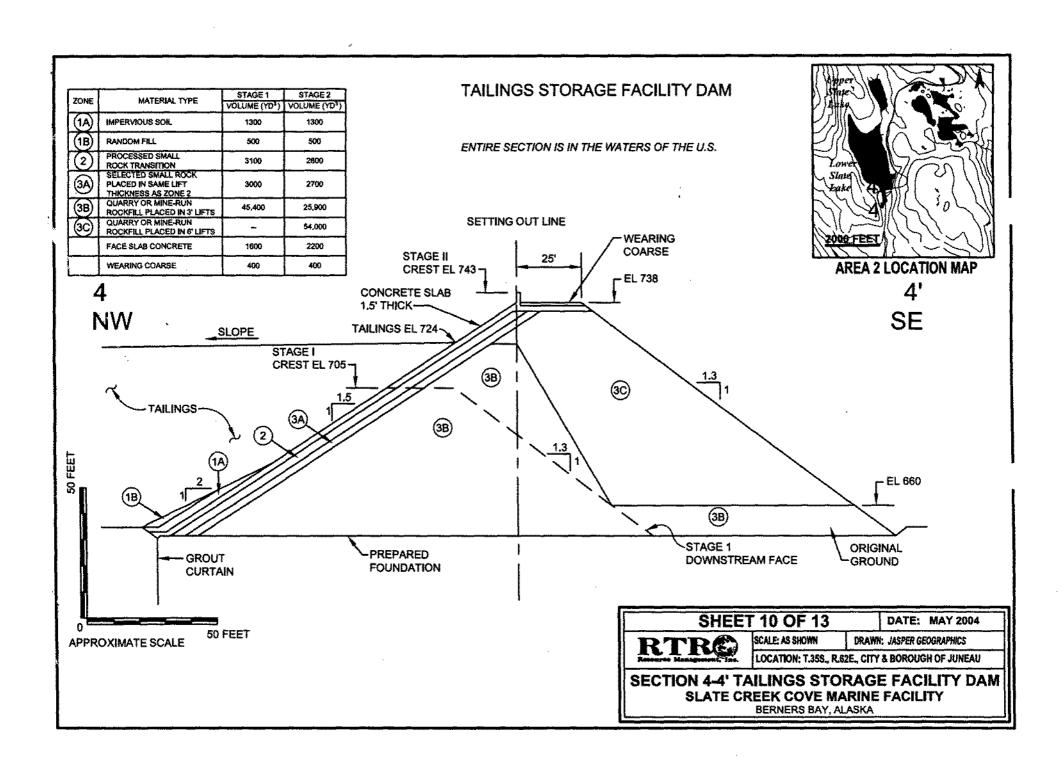
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CROSS-SECTION 3-3' - RECLAIMED SLATE CREEK COVE MARINE FACILITY

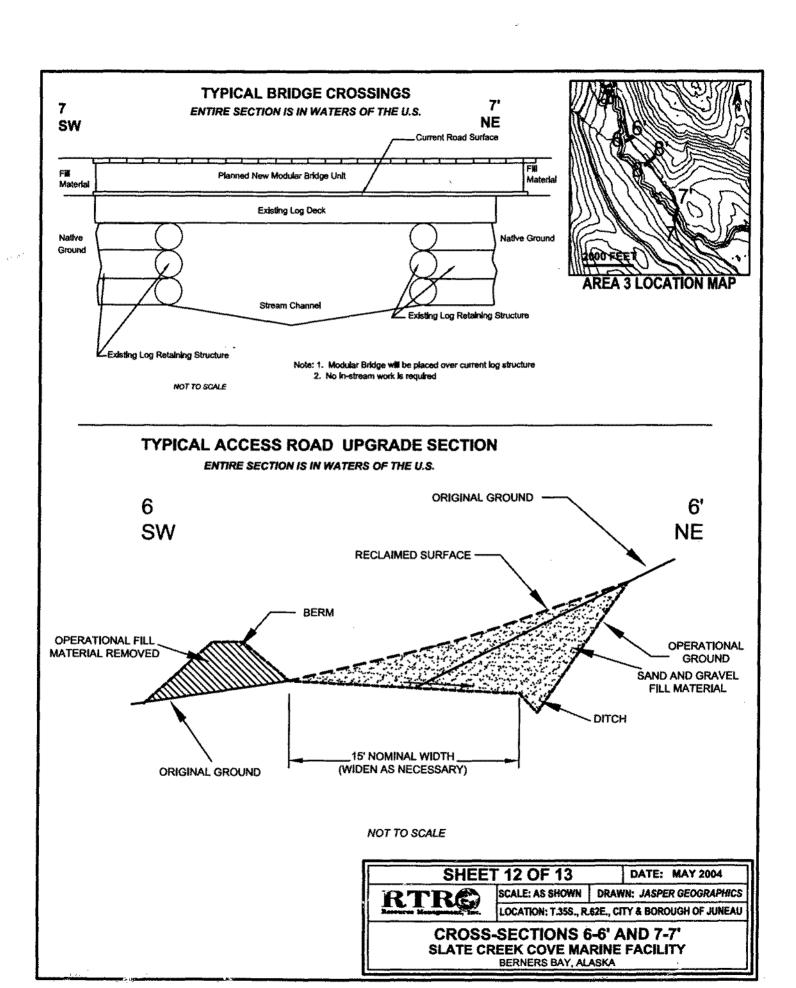
LOCATION: T.35S., R.62E., CITY & BOROUGH OF JUNEAU

BERNERS BAY, ALASKA

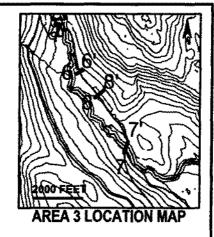


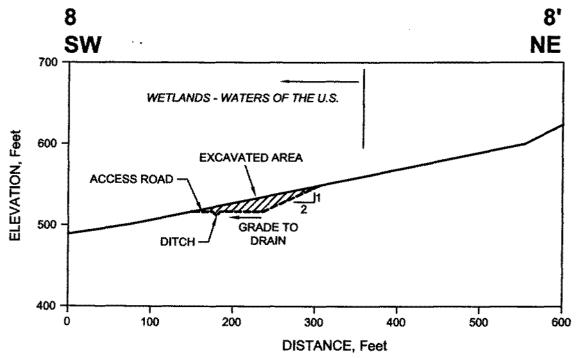


TAILINGS STORAGE FACILITY DAM **AREA 2 LOCATION MAP** 5 5' SW NE 1000--1000 WATERS OF THE U.S. 900--900 ELEVATION, Feet TOPSOIL STOCKPILE-EXCAVATED AREA (SOUTH EDGE OF BORROW AREA) 800--800 STAGE 2 DAM CREST 743* STAGE 2 POND ELEV. 739* FINAL TAILINGS ELEV. 724* STAGE 1 DAM CREST 705* STAGE 1 POND ELEV. 685* 700--700 ACCESS ROAD 600- 1000 -600 800 003 400 200 200 800 600 DISTANCE, Feet **SHEET 11 OF 13** DATE: MAY 2004 SCALE: AS SHOWN DRAWN: JASPER GEOGRAPHICS LEGEND: LOCATION: T.35S., R.62E., CITY & BOROUGH OF JUNEAU NATURAL GROUND SURFACE **SECTION 5-5' TAILINGS STORAGE FACILITY DAM OPERATING & RECLAIMED SURFACE** SLATE CREEK COVE MARINE FACILITY BERNERS BAY, ALASKA



EXISTING BORROW SITE TO BE EXPANDED





LEGEND:

NATURAL GROUND SURFACE

OPERATIONAL SURFACE AND RECLAIMED SURFACE

SHEET 13 OF 13

RTR

SCALE: AS SHOW

LOCATION: T.355.

DATE: MAY 2004

SCALE: AS SHOWN DRAWN: JASPER GEOGRAPHICS LOCATION: T.35S., R.62E., CITY & BOROUGH OF JUNEAU

CROSS-SECTION 8-8'
SLATE CREEK COVE MARINE FACILITY
BERNERS BAY, ALASKA

STATE OF ALASKA

OFFICE OF THE GOVERNOR

DEPARTMENT OF NATURAL RESOURCES
OFFICE OF PROJECT MANAGEMENT AND PERMITTING

OFFICE OF PROJECT MANAGEMENT AND PERMITTING 302 GOLD STREET, SUITE 202 JUNEAU, ALASKA 99801-1127 PHONE: (907) 465-3562/FAX: (907) 465-3075

NOTICE OF APPLICATION FOR CERTIFICATION OF CONSISTENCY WITH THE ALASKA COASTAL MANAGEMENT PROGRAM

Notice is hereby given that a request is being filed with the Office of Project Management and Permitting for a consistency determination, as provided in Section 307(c)(3) of the Coastal Zone Management Act of 1972, as amended [16 U.S.C. 1456(c)(3)], that the project described in the Corps of Engineers Public Notice No. <u>POA-1990-592-M (Lynn Canal 31)</u>, will comply with the Alaska Coastal Management Program and that the project will be conducted in a manner consistent with that program.

This project is being reviewed for consistency with the Alaska Coastal Management Program. Written comments about the consistency of the project with the applicable ACMP statewide standards and district policies must be submitted to the Office of Project Management and Permitting. For information about this consistency review, contact OPMP at (907) 269-7470 or (907) 465-3562, or visit the ACMP web site at http://www.gov.state.ak.us/gdc/Projects/projects.html.

Attachment 1

STATE OF ALASKA

OFFICE OF THE GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

DIVISION OF WATER

401 Certification Program
Non-Point Source Water Pollution Program

NOTICE OF APPLICATION FOR STATE WATER QUALITY CERTIFICATION

Any applicant for a federal license or permit to conduct an activity that might result in a discharge into navigable waters, in accordance with Section 401 of the Clean Water Act of 1977 (PL95-217), also must apply for and obtain certification from the Alaska Department of Environmental Conservation that the discharge will comply with the Clean Water Act, the Alaska Water Quality Standards, and other applicable State laws. By agreement between the U.S. Army Corps of Engineers and the Department of Environmental Conservation, application for a Department of the Army permit to discharge dredged or fill material into navigable waters under Section 404 of the Clean Water Act also may serve as application for State Water Quality Certification.

Notice is hereby given that the application for a Department of the Army Permit described in the Corps of Engineers' Public Notice No. <u>POA-1990-592-M (Lynn Canal 31)</u> serves as application for a short-term variance of State Water Quality Certification from the Department of Environmental Conservation, as provided in Section 401 of the Clean Water Act of 1977 (PL 95-217).

The Department will review the proposed activity to ensure that, except for an allowed, short-term variance, any discharge to waters of the United States resulting from the referenced project will comply with the Clean Water Act of 1977 (PL95-217), the Alaska Water Quality Standards, and other applicable State laws. The Department also may deny or waive certification.

Any person desiring to comment on the project with respect to Water Quality Certification may submit written comments within 30 days of the date of the Corps of Engineer's Public Notice to:

Department of Environmental Conservation WQM/401 Certification 555 Cordova Street Anchorage, Alaska 99501-2617 Telephone: (907) 269-7564

FAX: (907) 269-7508

Attachment 2